

**THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines
ISSUED BY THE STATE BOARD OF ACCOUNTS**

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March 1992

NEW LAWS AFFECTING SCHOOL CORPORATIONS

The following is a digest of some of the laws passed by the 1992 Regular Session of the General Assembly affecting school corporations. Please note the effective dates. Some of the laws do not pertain directly to schools but are included in the digest for ready reference to the covered subject matter.

The digest is not intended as an expression of legal interpretations. Nor is the digest intended to be all inclusive. References in the digest will be to the Indiana Code in the following form (Amends IC 20-5-2-2) (Amends Indiana Code, Title 20, Article 5, Chapter 2, Section 2).

PUBLIC LAW 1 - SENATE ENROLLED ACT 33. EFFECTIVE VARIOUS DATES. TECHNICAL CORRECTIONS. "This act is intended to resolve technical conflicts among acts and to correct other technical errors."

PUBLIC LAW 7 - SENATE ENROLLED ACT 50. EFFECTIVE JUNE 30, 1992. PENSION MANAGEMENT OVERSIGHT COMMISSION. Amends I.C. 2-5-12-1 to extend the Commission's expiration date to July 1, 1996.

PUBLIC LAW 8 - SENATE ENROLLED ACT 337. EFFECTIVE VARIOUS DATES. ELECTIONS . Amends and adds various sections of I.C. 20-3 concerning school board elections. Adds I.C. 20-5-3-11 to provide "In addition to any other eligibility requirements for members of the governing body of a school corporation as set forth in law, an individual who is employed as a teacher (as defined in I.C. 20-6.1-1-8) or as a noncertificated employee (as defined in I.C. 20-7.5) of the school corporation may not be a member of the governing body of the school corporation.

PUBLIC LAW 12 - SENATE ENROLLED ACT 232. EFFECTIVE APRIL 1, 1992. Changes population references throughout the Indiana Code.

PUBLIC LAW 18 - HOUSE ENROLLED ACT 1394. EFFECTIVE FEBRUARY 26, 1992 AND JULY 1, 1992. REDEVELOPMENT AND TAX INCREMENT FINANCING (TIF). Amends I.C. 36-7. Requires TIF districts to file information with taxing units. Establishes a tax incentive committee. Also repeals I.C. 20-10.1-20 Ambassadors In Education.

PUBLIC LAW 19 - SENATE ENROLLED ACT 419. EFFECTIVE JULY 1, 1992. PROGRAMS. Adds I.C. 20-1-1-8.5 Work Force Partnership Plans

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PUBLIC LAW 19 (Continued)

Amends I.C. 20-10.1-22.2-8 to add Item Number 5 concerning money appropriated to the Department "To pay the fees for the costs incurred in implementing the advanced placement program for the subjects other than math and science as authorized under Section 5 of this chapter."

Amends I.C. 21-3-1.6-3 concerning additional pupil counts to eliminate compensatory education and add alternative programs under I.C. 20-10.1-4.7 as 0.50.

Adds I.C. 20-10.1-4.1 State Standards Task Force; Local Standards Task Force.

Adds I.C. 20-10.1-4.2 Grade 4 and Grade 8 Assessment Program.

Adds I.C. 20-10.1-4.3 Gateway Assessment Program.

Adds I.C. 20-10.1-4.4 Secondary Level Certificates of Achievement.

Adds I.C. 20-10.1-4.5 Student Career Plan.

Adds I.C. 20-10.1-4.6 Alternative Program for Certain Students.

Adds I.C. 20-10.1-4.7 Local Student Diagnostic Assessment; Student Portfolios.

Adds I.C. 20-10.1-4.8 Guarantee of Essential Skills.

Adds I.C. 20-10.1-5.7 College Preparation Curriculum

Adds I.C. 20-10.1-7-1.1 to provide for the implementation of the Program of Adult Competency.

Amends I.C. 20-10.1-7-12 concerning summer remediation funds.

PUBLIC LAW 21 - HOUSE ENROLLED ACT 1396. EFFECTIVE FEBRUARY 26, 1992. INFANTS AND TODDLERS WITH DISABILITY PROGRAM. Adds I.C. 12-17-15 to provide the program which includes as an agency the Department of Education.

Adds I.C. 20-1-6.2 to provide for the Inclusion School Pilot Program. The grants shall be used by a school corporation to provide planning, collaboration and staff training and development necessary for implementation of the Inclusion Program.

PUBLIC LAW 24 - HOUSE ENROLLED ACT 1050. EFFECTIVE JUNE 1, 1992. CHARITY GAMING.
Adds I.C. 4-32-6

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PUBLIC LAW 28 - SENATE ENROLLED ACT 208. EFFECTIVE FEBRUARY 28, 1992 AND JULY 1, 1992.
COMMON SCHOOL FUND - BOND BANK. Amends I.C. 5-1.5 for Indiana Bond Bank securities
(which include an agreement executed by a qualified entity under I.C. 21-1-5).

Also amends I.C. 21-1-4-1 to add item (c) to provide, in addition to the purposes for which the
common school fund may be used to provide:

- (1) advancements to school corporations as authorized under I.C. 21-1-5.1; or
- (2) loans for technology equipment upon approval of the State Board of Education and the Budget
Committee.

Also amends I.C. 21-1-5-3 providing waivers of dollar limits for assessed valuations in the lowest
40% statewide.

Amends I.C. 21-1-5-4 to provide that in order to qualify for a advancement a school corporation
must:

- (1) Establish a Capital Projects Fund under I.C. 21-2-15; and,
- (2) Use all of the resulting revenue for the purposes for which the advancement is sought.

However, the Indiana State Board of Education may waive or modify the requirements under the
section upon a showing of good cause by the school corporation.

Any advancement under I.C. 21-1-5-4 may not exceed the lessor of:

- (1) Five million dollars (\$5,000,000); or
- (2) The sum of Fifteen Thousand Dollars (\$15,000) per pupil accommodated in the new or
improved structure less the sum of money raised by and made available to the corporation.

Amends I.C. 21-1-5-5 which now provides the Indiana State Board of Education may provide, either
before an advancement or before full repayment of an advancement, that no payment of the
advancement may be prepaid by more than six (6) months.

Also amends I.C. 21-1-5-7 to specify that an agreement by the State Board of Education or State
Board of Finance under Section 11 of this chapter to collect and pay over amounts deducted from
State school tuition support for the benefit of another party is not a debt of the State within the
meaning of the constitutional prohibition against State indebtedness.

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PUBLIC LAW 28 (Continued)

Also adds I.C. 21-1-5-11 concerning requests from the Indiana State Board of Education, acting upon the advice of the Department of Education, that the State Board of Finance may sell, transfer, or liquidate agreements evidencing the right of the Indiana State Board of Education to make deductions from state school tuition support payment to pay advancements under the chapter, with certain conditions.

Also adds I.C. 21-1-5.1 concerning advancements from the Common School Fund for certain anticipated transfer tuition costs. Not later than October 1, each year the State Board of Education may advance money to a school corporation in anticipation of receipt of transfer tuition to students placed in a facility or home described in I.C. 20-8.1-6.1-5(a) or I.C. 20-8.1-6.1-5(b) in an amount not to exceed the step 2 amount of the following formula:

STEP 1: Estimate for the current school year the number of students described in I.C. 20-8.1-6.1-5(a) or I.C. 20-8.1-6.1-5(b) that are transferred to the school corporation.

STEP 2: Multiply the Step 1 amount by the school corporation's prior year per student transfer tuition amount.

To qualify for the aforementioned, a school corporation shall do the following:

- (1) Certify to the State Board of Education the information described in I.C. 21-1-5.1-2.
- (2) Request from the State Board of Education the anticipated amount of transfer tuition not to exceed the amount described in Section 2.
- (3) Guarantee full repayment of the advancement by agreeing to have:
 - (A) One half (1/2) of the amount of the advancement deducted from the monthly distribution of the state tuition support received by the school corporation six (6) months after the advancement is made, with interest at the rate set forth in I.C. 21-1-7-1; and
 - (B) The balance of the amount of the advancement deducted from the monthly distribution of the state tuition support received by the school corporation twelve (12) months after the advancement is made, with interest at the rate set forth in I.C. 21-1-7-1.

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PUBLIC LAW 28 (Continued)

The deducted amounts are transferred by the State Board of Education to the Common School Fund;

A school corporation receiving the advancement under the aforementioned chapter shall notify the county, school corporation or Auditor of State from which the school corporation receives transfer tuition under I.C. 20-8.1-6.1 for students described in I.C. 20-8.1-6.1-5(a) or (b) of the amount of interest withheld under I.C. 21-1-5.1-3. The county, school corporation or Auditor of State shall reimburse the school corporation for the interest expense at the time transfer tuition is paid.

A school corporation's obligation to repay the advancement may not be construed to be diminished or otherwise affected if the county of the student's legal settlement fails to pay transfer tuition as required under I.C. 20-8.1-6.1 to the school corporation in a timely manner.

An advancement from the Common School Fund may not be construed to be an obligation of the school corporation within the meaning of the limitation against said indebtedness under the Constitution of the State of Indiana.

PUBLIC LAW 29 - HOUSE ENROLLED ACT 1328. EFFECTIVE FEBRUARY 21, 1992. BOND BANK.
Amends I.C. 5-1.5 and I.C. 5-13-9-35 concerning additional investments permitted.

PUBLIC LAW 31 - HOUSE ENROLLED ACT 1108. EFFECTIVE JULY 1, 1992. PUBLICATION OF NOTICES CONTAINING LEGAL DESCRIPTIONS. Adds I.C. 5-3-4 concerning legal notices containing legal descriptions of real property. The notices must contain a statement for informational purposes only, of the location of each property by:

- (1) Street address, if any; or
- (2) Other common description of the real property other than the legal description.

The statement required must precede the legal description in the notice.

PUBLIC LAW 34 - HOUSE ENROLLED ACT 1045. EFFECTIVE FEBRUARY 17, 1992. OFFICIAL DUTIES. Amends I.C. 5-8-1-35 to provide that refusing or neglecting to perform the official duties pertaining to an office; or violating I.C. 36-6-4-17(b) if the officer is the Township Trustee, a court may enter a judgment for:

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PUBLIC LAW 34 (Continued)

(A) Five Hundred Dollars (\$500) in favor of the prosecuting officer.

(B) For costs as are allowed in civil cases.

(C) For the amount of money that was paid to the officer in compensation from the day when the accusation was filed under this section to the day when the judgment is entered in favor of the public entity paying the compensation to the officer. The court may award reasonable attorney fees, court costs and other reasonable expenses of the litigation to the accused officer if the officer prevails; and the court finds the accusation is frivolous or vexatious.

Also amends I.C. 35-44-1-2 to add Item 6 as knowingly or intentionally violates I.C. 36-6-4-17(b).

PUBLIC LAW 37 - SENATE ENROLLED ACT 204. EFFECTIVE VARIOUS DATES. PUBLIC DEPOSITORY LAW. Amends I.C. 5-13-7-6 to provide that each local Board of Finance, at their annual meeting, shall elect a president and a secretary. Removes the section that requires that the secretary need not be a member of the Board of Finance.

PUBLIC LAW 43 - SENATE ENROLLED ACT 144. EFFECTIVE VARIOUS DATES. ASSESSED VALUATIONS, SERVICE CENTERS-BUDDY SYSTEM PROJECTS. Amends I.C. 6-1.1-12.1 concerning appeals to the State Board of Tax Commissioners.

Also amends I.C. 6-1.1-19-4.7 concerning requests for emergency relief for shortfalls, and provides for whenever erroneous assessed valuation figures were provided to a school corporation's general fund tax levy that was reduced under I.C. 6-1.1-17-16(d); or whenever the assessed valuation figures were provided to and used by a school corporation, did not adequately reflect appeals filed by property owners; the Tax Control Board shall recommend to the State Board of Tax Commissioners that the school corporation receive emergency relief.

Also adds Item C to that section to provide that if the Tax Control Board finds the balance in a school corporation's levy excess fund plus property taxes collected is less than ninety eight percent (98%) of the property tax levy for that year, the Control Board may recommend to the State Board of Tax Commissioners that the school corporation receive emergency financial relief and be permitted an excess levy for a certain specified calendar year in the amount of the difference between the property tax levy for the year and the actual property tax collections plus any balance in the levy excess fund.

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PUBLIC LAW 43 (Continued)

Also amends various other sections of I.C. 6-1.1 concerning appeals.

Also adds I.C. 6-3.1-15 to provide that a taxpayer that has donated qualified computer equipment to an educational service center is entitled to a tax credit. Minimum standards are to be established to define what is considered qualified computer equipment. The service center may sell qualified computer equipment under this section only for public or private elementary or secondary schools. The equipment may be sold to a parent or guardian of a child enrolled in the school's computer education program.

The service center is to establish a price based upon:

- (1) The service center's payment to the Department of Education for the preceding year as anticipated for the current year and,
- (2) The service center's actual operating expenses in purchasing, inspecting, testing, refurbishing and reselling qualified computers. However, a service center may not sell the equipment for more than Five Hundred Dollars (\$500.00).

Also amends I.C. 20-5-4-8 to provide that whenever a governing board of a school corporation declares an emergency exists for borrowing money before the receipt of State Tuition Support distributions, that warrants may be issued in anticipation of said revenues. The warrants would be from the general fund.

Also amends I.C. 21-3-4.5-2 to provide that debt service does not include State Tuition Support distribution under I.C. 20-5-4-8.

Also adds Section 17 concerning assessed values, State Tuition Support, and appeals to the State Board of Tax Commissioners.

PUBLIC LAW 44 - HOUSE ENROLLED ACT 1100. EFFECTIVE JANUARY 1, 1993. BOAT TAX. Amends I.C. 6-6-11-29 to provide for distributions by the 10th of each month.

PUBLIC LAW 46 - SENATE ENROLLED ACT 453. EFFECTIVE JULY 1, 1992. PROFESSIONAL STANDARDS BOARD. Adds I.C. 20-1-1.4 to provide for the establishment of a Professional Standards Board to govern teacher training and licensing programs.

Also amends various sections of I.C. 20-6.1 concerning Professional Standards.

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PUBLIC LAW 57 - SENATE ENROLLED ACT 53. EFFECTIVE JULY 1, 1992. SCHOOL BUS INSPECTIONS. Amends I.C. 20-9.1-4 concerning school bus inspections.

PUBLIC LAW 66 - SENATE ENROLLED ACT 203. EFFECTIVE APRIL 9, 1992 AND JULY 1, 1992. COMMERCIAL DRIVERS LICENSE. Amends I.C. 9 to provide changes in definitions and enforcement provisions.

PUBLIC LAW 81 - SENATE ENROLLED ACT 406. EFFECTIVE JULY 1, 1992 AND FEBRUARY 26, 1992. SCHOOL PROPERTY. Amends I.C. 35-41-1-24.7 to add I.C. 12-17.5 pertaining to the definition of school property, concerning child care.

PUBLIC LAW 98 - SENATE ENROLLED ACT 195. EFFECTIVE JULY 1, 1992. PESTICIDES. Adds I.C. 15-3-3.6-27 to provide that a political subdivision does not have the authority to regulate the use or application of pesticides. Also provides for procedures to request variances.

PUBLIC LAW 103 - SENATE ENROLLED ACT 97. EFFECTIVE JULY 1, 1992. CLASSROOM INSTRUCTIONS AND STANDARDS. Amends I.C. 20-1-1-6 to provide that beginning with classroom instruction for the 1993-94 school year, classroom instruction standards must include railway-highway grade crossing safety.

PUBLIC LAW 105 - SENATE ENROLLED ACT 372. EFFECTIVE JULY 1, 1992. TEACHER CONTRACTS. Amends I.C. 20-6.1-4-11; I.C. 20-6.1-4-14; I.C. 20-6.1-4-14.5; I.C. 20-6.1-5-15; I.C. 20-7.5-1-5; and I.C. 20-7.5-1-6 concerning votes to cancel teacher contracts, suspend teachers without pay, and binding arbitration.

PUBLIC LAW 106 - SENATE ENROLLED ACT 192. EFFECTIVE JULY 1, 1992. CHILD EMPLOYMENT CERTIFICATES. Amends I.C. 20-8.1-4 concerning child employment and acceptable academic performance and attendance.

PUBLIC LAW 107 - HOUSE ENROLLED ACT 1005. EFFECTIVE JULY 1, 1992 SCHOOL BUSES. Amends I.C. 20-9.1-4 to provide the State School Bus Committee the power to prescribe minimum standards for the construction of school buses as necessary. Also amends I.C. 20-9.1-4-5 concerning State Police inspection of school buses.

Adds I.C. 20-9.1-5-2.1 to provide that the governing body of a school corporation may, by written authorization, permit the use of school buses for transportation:

(1) Of preschool children who attend preschool offered by the school corporation or under a contract entered into by the school corporation to and from the preschool facility site;

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(2) Subject to the geographic and residency requirement set forth in Section 2(b) of this chapter, of preschool children and necessary adult chaperones to and from educational or recreation activities approved or sponsored by the governing body for the preschool children.

The number and qualifications of adult chaperones may be determined by the governing body.

PUBLIC LAW 108 - SENATE ENROLLED ACT 129. EFFECTIVE JULY 1, 1992. HEALTH EDUCATION CURRICULUM. Adds I.C. 20-10.1-4-13 concerning instruction regarding certain forms of cancer.